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**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-1-01

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**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

INDEPENDENT AUDITOR'S REPORT	<u>Statement</u>	<u>Page</u>
		1
PRIMARY GOVERNMENT FINANCIAL STATEMENTS:		
Combined Balance Sheet - All Fund Types and Account Groups	A	2-3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	B	4-5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General and Special Revenue Funds	C	6-9
Notes to the Financial Statements		10-19
	<u>Schedule</u>	<u>Page</u>
SUPPLEMENTAL INFORMATION SCHEDULES:		
Special Revenue Funds:		
Combining Balance Sheet	1	21-22
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	23-24
Capital Projects Funds:		
Combining Balance Sheet	3	26
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	4	27
Compensation Paid Police Jurors	5	29
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>		30
Schedule of Findings and Questioned Costs		31

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INDEPENDENT AUDITOR'S REPORT

The Members of the
Jackson Parish Police Jury
Jonesboro, Louisiana

We have audited the accompanying primary government financial statements of the Jackson Parish Police Jury as of and for the year ended December 31, 2000, as listed in the table of contents. These primary government financial statements are the responsibility of the Jackson Parish Police Jury's management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the Jackson Parish Police Jury, as of December 31, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the Jackson Parish Police Jury do not purport to, and do not, present fairly the financial position of the Jackson Parish Police Jury, as of December 31, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Jackson Parish Police Jury, as of December 31, 2000, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Jackson Parish Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated June 16, 2000, on our consideration of the Jackson Parish Police Jury's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.



Kenneth D. Folden & Co., CPAs
Jonesboro, Louisiana

April 11, 2001

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET, DECEMBER 31, 2000**

Governmental Fund Type	
General Fund	Special Revenue Funds

Assets and other debits

Assets:

Cash	\$ 870,247	\$ 4,410,998
Investments, at cost		153,068
Receivables	401,155	1,069,561
Fixed assets		

Other Debits:

Amount available in landfill closure special revenue fund

Amount to be provided for general long-term obligations

Total assets and other debits	<u>\$ 1,271,402</u>	<u>\$ 5,633,627</u>
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Liabilities, equity and other credits

Liabilities:

Accounts payable	\$ 43,384	\$ 85,104
Certificates of indebtedness		
Capital lease payable		
Compensated absences payable		
Estimated liability for landfill closure costs		

Total liabilities	<u>43,384</u>	<u>85,104</u>
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Fund equity and other credits:

Investment in general fixed assets

Fund balances:

Unreserved - undesignated	<u>1,228,018</u>	<u>5,548,523</u>
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Total equity and other credits	<u>1,228,018</u>	<u>5,548,523</u>
---------------------------------------	------------------	------------------

Total liabilities, equity and other credits	<u>\$ 1,271,402</u>	<u>\$ 5,633,627</u>
--	---------------------	---------------------

Capital Projects Funds	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	

\$ 356,902	\$	\$	\$ 5,638,147
			153,068
			1,470,716
	7,203,987		7,203,987
		423,661	423,661
		2,087,998	2,087,998
<u>\$ 356,902</u>	<u>\$ 7,203,987</u>	<u>\$ 2,511,659</u>	<u>\$ 16,977,577</u>

\$	\$	\$	\$ 128,488
		2,290,000	2,290,000
		82,894	82,894
		138,765	138,765
<u>NONE</u>	<u>NONE</u>	<u>2,511,659</u>	<u>2,640,147</u>
	7,203,987		7,203,987
<u>356,902</u>			<u>7,133,443</u>
<u>356,902</u>	<u>7,203,987</u>		<u>14,337,430</u>
<u>\$ 356,902</u>	<u>\$ 7,203,987</u>	<u>\$ 2,511,659</u>	<u>\$ 16,977,577</u>

The accompanying notes are an integral part of these financial statements.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

Statement B

	General Fund	Special Revenue Funds	Capital Projects Funds	Total (Memorandum Only)
Revenues				
Taxes:				
Ad valorem	\$ 235,873	\$ 942,762	\$	\$ 1,178,635
Sales tax		1,491,267		1,491,267
Other taxes, penalties and interest, etc.	48,445			48,445
Licenses and permits	3,239			3,239
Intergovernmental revenues:				
State funds:				
Severance tax	690,284			690,284
Parish transportation funds		281,346		281,346
State revenue sharing (net)	22,352	89,071		111,423
State aid grants	125,492	19,407		144,899
Federal grants			137,780	137,780
Fees, charges and commissions	23,045			23,045
Fines and forfeitures		17,743		17,743
Miscellaneous revenues	1,099	12,596		13,695
Use of money and property	71,750	236,765	20,794	329,309
Total revenues	1,221,579	3,090,957	158,574	4,471,110
Expenditures				
General government:				
Legislative	98,853			98,853
Judicial	86,377			86,377
Elections	33,364			33,364
Financial and administrative	193,342			193,342
Other general government	154,965	32,369		187,334
Public safety	156,456			156,456
Public works	20,000	2,268,257		2,288,257
Health and welfare	19,699	18,858		38,557
Culture and recreation	33,751	305,733		339,484
Capital outlay	12,910	113,710	369,207	495,827
Debt service:				
Principal retirement		65,516		65,516
Interest		79,587		79,587
Total expenditures	809,717	2,884,030	369,207	4,062,954

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General Fund	Special Revenue Funds	Capital Projects Funds	Total (Memorandum Only)
Excess (deficiency) of revenues over (under) expenditures	<u>411,862</u>	<u>206,927</u>	<u>(210,633)</u>	<u>408,156</u>
Other financing sources (uses):				
Operating transfers in		241,029	250,000	491,029
Operating transfers out	(491,029)			(491,029)
Residual equity transfer in (out)		25,175	(25,175)	
Sale of equipment		20,542		20,542
Transfers out to other governmental units	(88,834)			(88,834)
Proceeds from certificates of indebtedness		<u>1,500,000</u>		<u>1,500,000</u>
Total other financing sources (uses)	<u>(579,863)</u>	<u>1,786,746</u>	<u>224,825</u>	<u>1,431,708</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(168,001)</u>	<u>1,993,673</u>	<u>14,192</u>	<u>1,839,864</u>
Fund balances at beginning of year	<u>1,396,019</u>	<u>3,554,850</u>	<u>342,710</u>	<u>5,293,579</u>
Fund balances at end of year	<u>\$ 1,228,018</u>	<u>\$5,548,523</u>	<u>\$ 356,902</u>	<u>\$ 7,133,443</u>

The accompanying notes are an integral part of these financial statements.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

General Fund		
Budget	Actual	Variance Favorable (Unfavorable)

Revenues

Taxes:

Ad valorem	\$ 239,900	\$ 235,873	\$ (4,027)
Sales tax			
Other taxes, penalties and interest, etc.	45,500	48,445	2,945
Licenses and permits	2,575	3,239	664
Intergovernmental revenues:			
State funds:			
Severance tax	700,000	690,284	(9,716)
Parish transportation fund			
State revenue sharing (net)	23,000	22,352	(648)
State aid grant	138,400	125,492	(12,908)
Federal grants			
Fees, charges and commissions for services	17,100	23,045	5,945
Fines and forfeitures			
Miscellaneous revenues	950	1,099	149
Use of money and property	68,100	71,750	3,650
Total revenues	1,235,525	1,221,579	(13,946)

Expenditures

General government:

Legislative	106,500	98,853	7,647
Judicial	92,500	86,377	6,123
Elections	39,000	33,364	5,636
Finance and administrative	209,900	193,342	16,558
Other general government	180,650	154,965	25,685
Public safety	182,200	156,456	25,744
Public works	20,000	20,000	
Health and welfare	20,200	19,699	501
Culture and recreation	40,900	33,751	7,149
Capital outlay		12,910	(12,910)
Debt service:			
Principal retirement			
Interest			
Total expenditures	891,850	809,717	82,133

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)

\$ 941,500	\$ 942,762	\$ 1,262
1,257,200	1,491,267	234,067

282,500	281,346	(1,154)
74,000	89,071	15,071
7,200	19,407	12,207
12,000		(12,000)

12,000	17,743	5,743
18,200	12,596	(5,604)
175,200	236,765	61,565

<u>2,779,800</u>	<u>3,090,957</u>	<u>311,157</u>
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75,784	32,369	43,415
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3,670,306	2,268,257	1,402,049
40,100	18,858	21,242
308,500	305,733	2,767
198,750	113,710	85,040

65,585	65,516	69
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47,300	79,587	(32,287)
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<u>4,406,325</u>	<u>2,884,030</u>	<u>1,522,295</u>
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The accompanying notes are an integral part of these financial statements.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

General Fund		
Budget	Actual	Variance Favorable (Unfavorable)

Excess (deficiency) of revenues over
(under) expenditures

343,675 411,862 68,187

Other financing sources (uses):

Operating transfers in

Operating transfers out

(490,000) (491,029) (1,029)

Proceeds from certificates of indebtedness

Sale of equipment

Transfers out to other governmental units

(100,137) (88,834) 11,303

Total other financing sources(uses)

(590,137) (579,863) 10,274

Excess (deficiency) of revenues and other sources
over (under) expenditures and other uses

(246,462) (168,001) 78,461

Fund balances at beginning of year

975,000 1,396,019 421,019

Fund balances at end of year

\$ 728,538 \$ 1,228,018 \$ 499,480

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)

<u>(1,626,525)</u>	<u>206,927</u>	<u>1,833,452</u>
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240,000	266,204	26,204
(100,000)		100,000
1,500,000	1,500,000	
19,500	20,542	1,042

<u>1,659,500</u>	<u>1,786,746</u>	<u>127,246</u>
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32,975	1,993,673	1,960,698
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<u>2,485,600</u>	<u>3,554,850</u>	<u>1,069,250</u>
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<u>\$ 2,518,575</u>	<u>\$ 5,548,523</u>	<u>\$ 3,029,948</u>
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The accompanying notes are an integral part of these financial statements.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000**

INTRODUCTION

The Jackson Parish Police Jury is the governing authority for Jackson Parish and is a political subdivision of the State of Louisiana. The police jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms that expire in January, 2004.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The most notable of those powers are the authority to regulate its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, beer and alcoholic beverage permits, state revenue sharing and various other state and federal grants.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the governing authority of the parish for reporting purposes, the Jackson Parish Police Jury is the financial reporting entity for Jackson Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Jackson Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

- 1. Appointing a voting majority of an organization's governing body, and**
 - a. The ability of the police jury to impose its will on that organization and/or**
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.**
- 2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.**
- 3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.**

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Based on the previous criteria, the police jury has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Jackson Parish Library	December 31, 2000	1a
Jackson Parish Hospital Service District No. 1	September 30, 2000	1a
Jackson Parish Recreation District	December 31, 2000	1a
Ward 2 Fire Protection District	December 31, 2000	1a
Ward 3 Fire Protection District	December 31, 2000	1a
Ward 4 Fire Protection District	December 31, 2000	1a
Quitman Fire Protection District No.1	December 31, 2000	1a
Jonesboro Fire Protection District No. 1	June 30, 2000	1a
Jackson Parish Ambulance Service District	December 31, 2000	1a

The primary government (Jackson Parish Police Jury) financial statements include all funds and account groups, and organizations for which the police jury maintains the accounting records. The organizations for which the police jury maintains the accounting records are considered part of the Jackson Parish Police Jury and include the following Special Revenue Fund - Jackson Parish Public Library.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government (police jury) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

Considered in the determination of component units of the reporting entity were the Jackson Parish Sheriff, Clerk of Court, Tax Assessor, School Board, District Attorney and Judges for the Second Judicial District, and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Jackson Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Jackson Parish Police Jury.

B. FUND ACCOUNTING

The Jackson Parish Police Jury uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the Jackson Parish Police Jury are classified as one category, governmental. This category is divided into separate fund types. The fund classification and a description of each existing fund type follow:

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUND ACCOUNTING (Continued)

Governmental Funds

Governmental funds account for all or most of the police jury's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the Jackson Parish Police Jury include:

1. General Fund--the general operating fund of the police jury accounting for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds--account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Capital project funds--account for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds.
4. Debt service funds--account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group. The Jackson Parish Police Jury has no debt service fund, for the year ended December 31, 2000.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Ad valorem taxes (which are based on assessments of business property and homesteads in the parish) and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year. Based on prior experience, the uncollectible ad valorem tax net of proceeds from the sheriff's sale of property is immaterial, thus no provision has been made for such a loss.

Federal reimbursement grant revenues are recognized in the period that the related expenditures are incurred.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

Revenues from fines, forfeitures, licenses and permits are not susceptible to accrual because they are not generally measurable until received in cash.

Interest income on time deposits is recorded upon maturity, when the income is available.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized when due.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

D. BUDGETARY BASIS OF ACCOUNTING

The Jackson Parish Police Jury uses the following budget practices:

The Jackson Parish Police Jury adopts budgets annually. Public notice of the proposed budgets was published on December 2, 1999, and the proposed budgets were made available for public inspection at that time. A public hearing on the proposed budgets was held December 15, 1999, and they were adopted by the Jackson Parish Police Jury on that date. Amended budgets were adopted as necessary.

Budgets were prepared on the GAAP basis of accounting.

Formal budgetary integration is employed as a management control device during the year for all budgeted funds. The Police Jury approves total budget appropriations only. The Secretary-Treasurer of the Police Jury is authorized to transfer budget line item amounts between departments within any fund; however, any revisions that alter the total appropriations of any departments within a fund must be approved by the Police Jury. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.

At year end, all appropriations lapse. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not utilized by the Jackson Parish Police Jury.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. CASH AND INVESTMENTS

Cash and investments include demand deposits and a 30 day certificate of deposit. Under state law, the Jackson Parish Police Jury may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Jackson Parish Police Jury has deposits in four financial institutions as of December 31, 2000.

Under State law, the jury may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents. The Jackson Parish Police Jury has investments of \$153,068 in the form of a certificate of deposit at December 31, 2000.

G. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

II. COMPENSATED ABSENCES

The Jackson Parish Police Jury has the following policy relating to vacation and sick leave:

Police Jury

All full-time employees earn from 10 to 20 days of annual leave each year, depending upon length of service. Effective January 1, 1995, employees shall not accrue more than 20 days of annual leave. Employees are paid for annual leave upon retirement or separation of service. All full-time employees earn 5 days of sick leave each year. Sick leave may be accumulated without limitation. Upon retirement, unused sick leave of up to 25 days is paid to employees. Employees that are separated from service prior to retirement are paid a maximum of 20 days of unused sick leave.

Library

Full-time employees of the library earn from 10 to 20 days of annual leave depending upon length of service. Part-time employees working twenty hours or more per week earn one-half of the full-time employee annual leave. Effective January 1, 1998, employees shall not accrue more than 25 days of annual leave. Employees are paid for a maximum of 25 days upon retirement or separation of service. All full-time employees earn 12 days of sick leave each year. Sick leave may be accumulated to a maximum of 60 days. Upon retirement, unused sick leave of up to 25 days is paid to employees. Employees that are separated from service, prior to retirement, forfeit unused sick leave.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

J. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Parish-Wide Taxes:			
General Fund	5.21	4.71	—
Road Fund	5.06	5.06	2009
Library Fund	10.00	9.40	2008
Asphalt Fund	4.40	4.40	2009
Forest Protection Tax	8 cents/acre	8 cents/acre	—

A six-tenths of one percent sales and use tax became effective on August 1, 1986. The proceeds of the tax, after collection cost, are used for waste management expenditures and debt reductions. This tax was renewed for 10 years on April 20, 1996.

A four-tenths of one percent sales and use tax became effective on July 1, 1996. The proceeds of the tax, after collection cost, are used for blacktopping and sealing roads.

No ad valorem tax renewal proposition for the Health Unit has been presented to the Jackson Parish voters.

Two renewal 10 year ad valorem tax propositions for the Road Fund (5.06 mill) and Asphalt Fund (4.40 mill) were approved by the Jackson Parish voters on January 15, 2000.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000**

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

At December 31, 2000, the jury has cash and investments totaling \$5,791,215, as follows:

Demand deposits including interest-bearing	\$ 5,552,713
Certificate of deposit, 30 day maturity	85,434
Investments	<u>153,068</u>
Total	<u><u>\$ 5,791,215</u></u>

These deposits and investments are stated at cost, which approximates market. Under state law, these deposits and investments (or the resulting bank balances) must be secured by federal deposit insurance (FDIC) or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2000, the jury has \$5,721,325 in deposits and \$153,068, in investments (collected bank balances). These deposits are secured from risk by \$324,483 of federal deposit insurance and \$6,366,212 of pledged securities held by the custodial bank in the name of the fiscal bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the jury that the fiscal agent has failed to pay deposited funds upon demand.

4. RECEIVABLES

The receivables as of December 31, 2000, are composed as follows:

	General Fund	Special Revenue Funds	Total
CLASS OF RECEIVABLES			
Taxes:			
Ad valorem	\$ 216,479	\$ 864,238	\$ 1,080,717
Sales and use		112,092	112,092
Other	323	2,889	3,212
Intergovernmental -			
State	176,328	90,342	266,670
Local	8,025		8,025
Fees, charges and commissions			
TOTAL	<u><u>\$ 401,155</u></u>	<u><u>\$ 1,069,561</u></u>	<u><u>\$ 1,470,716</u></u>

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000**

5. FIXED ASSETS

The changes in general fixed assets follow:

	Balance at January 1, 2000	Additions	Deletions	Balance at December 31, 2000
Land and buildings	\$ 3,308,444	\$ 1,049,753	\$	\$ 4,358,197
Machinery and equipment	2,113,209	160,865	80,190	2,193,884
Library circulation materials	656,839	35,854	42,127	650,566
Construction in progress	751,985	1,340	751,985	1,340
Total	<u>\$ 6,830,477</u>	<u>\$ 1,247,812</u>	<u>\$ 874,302</u>	<u>\$ 7,203,987</u>

Current year additions are composed of capital outlay and projects previously reported as construction in progress. Current year deletions are composed of projects previously reported as construction in progress as well as assets sold by jury or removed from listing because original value was less than \$300.

6. PENSION PLANS

Plan Description. Substantially all employees of the Jackson Parish Police Jury are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the district are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Jackson Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Jackson Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation for the prior fiscal year. The Jackson Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2000, 1999, and 1998, were \$60,903, \$58,411 and \$57,033, respectively, equal to the required contributions for each year.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000**

7. COMPENSATED ABSENCES

Employees of the Police Jury had accumulated and vested \$82,894 of employee leave benefits at December 31, 2000, computed in accordance with GASB Codification, Section C60. This amount has been recorded as a general long-term obligation.

8. LEASES

In March, 1995, the police jury entered into a capital lease for a gradall with attachments. The lease term expired March, 2000, and the police jury sold the gradall. The asset and related obligation were removed from the Police Jury's General Fixed Assets Account Group and the General Long-Term Obligations Account, respectively.

The Jackson Parish Police Jury had four (4) operating leases at December 31, 2000, for equipment. Equipment provided by the leases are three Caterpillar motor graders and attachments and one Caterpillar wheeled excavator. The equipment is used by the Road Department and the monthly lease payments are paid out of the Road Fund. The monthly terms of the lease are \$1,500 each for the three graders and \$2,993 for the wheeled excavator. Leases on the graders expire as follows: February, 2001, February, 2002 and February, 2002. The excavator lease expires July, 2003.

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a schedule of changes in the general long-term obligations:

	Balance at January 1, 2000	Additions	Deletions	Balance at December 31, 2000
Compensated absences payable	\$ 77,993	\$ 4,901	\$	\$ 82,894
Capital lease payable	5,516		5,516	
Certificates of indebtedness	850,000	1,500,000	60,000	2,290,000
Estimated liability for landfill closure	118,941	19,824		138,765
Total	<u>\$ 1,052,450</u>	<u>\$ 1,524,725</u>	<u>\$ 65,516</u>	<u>\$ 2,511,659</u>

10. CAPITAL LEASE

The Jackson Parish Police Jury has no capital lease agreements at December 31, 2000.

11. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year end be transferred to the parish General Fund. The Second Judicial District Criminal Court Fund is composed of the parishes of Bienville, Claiborne and Jackson. The records of the Second Judicial District Criminal Court Fund are maintained by the Claiborne Parish Police Jury. For the year ended December 31, 2000, no accrual was recognized by the Jackson Parish Police Jury for transfer to the parish General Fund.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000**

12. LITIGATION AND CLAIMS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government attorney the resolution of these matters will not have a material adverse effect on the financial condition of the government.

13. SOLID WASTE LANDFILL COSTS

State and federal laws and regulations require the Jackson Parish Police Jury to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

The Jackson Parish Landfill is a Type III facility that accepts only construction and demolition debris. The Jackson Parish Landfill has an estimated final closing during year 2010.

The estimated liability for landfill closure and post closure care costs has a balance of \$138,765 as of December 31, 2000, which is based on 41.17 per cent usage of the landfill. It is estimated that an additional \$198,235 will be recognized as closure and post closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2010).

The estimated total cost of the landfill closure and post closure care is \$337,000. This is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2000. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The Jackson Parish Police Jury has established a special revenue fund to account for the contributions to finance closure costs and post closure care. The Jackson Parish Police Jury is anticipating making annual contributions towards the estimated total cost of closure and post closure care.

14. FUND BALANCE TRANSFER

Prior to the current audit period, revenue collected from tourism tax and related expenditures were accounted for in the General Fund. In the year ending December 31, 2000, a separate special revenue fund, Tourism Fund, was established to account for tourism tax receipts and expenditures related to promoting tourism in Jackson Parish. The portion of Beginning Fund Balance traceable to Tourism assets has been transferred from General Fund beginning fund balance to the beginning balance of the Tourism Special Revenue Fund.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000**

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose.

Road Fund

The Road Fund accounts for maintenance of parish highways, streets, and bridges. Funding is provided by a parish-wide ad valorem tax, state revenue sharing funds, parish transportation funds, state aid grants, operating transfers from the General Fund, interest earned on investments, and miscellaneous revenues.

Library Fund

The Library Fund accounts for maintenance and operation of the parish library. Funding is provided by a parish-wide ad valorem tax, state revenue sharing funds, State Library of Louisiana funds, interest earned on investments and fine and program revenues.

Solid Waste Fund

The Solid Waste Fund accounts for the construction, maintenance and operation of the solid waste system. Funding is provided by a parish-wide sales tax, interest on investments and other miscellaneous revenues.

Asphalt Fund

The Asphalt Fund accounts for asphaltting parish roads. Financing is provided by a parish-wide ad valorem tax, state revenue sharing funds and interest earned on investments.

Health Unit Fund

The Health Unit Fund accounts for a portion of the maintenance and operation of the parish health unit. Financing is provided by a parish-wide ad valorem tax, state revenue funds and interest earned on investments.

Blacktop Fund

The Blacktop Fund accounts for the blacktopping and sealing of parish roads. Financing is provided by issuance of certificates of indebtedness and interest earned on investments.

Lake Commission Fund

The Lake Commission Fund accounts for the regulation and usage of Caney Lake and the usage of the surrounding land up to one mile from the shore line. Financing is provided by tournament fees, duck blind rentals and interest earned on investments.

Landfill Closure Fund

The Landfill Closure Fund accounts for estimated closure cost and post-closure care expenses of the parish landfill site. Financing is provided by contributions and interest earned on investments.

Road Sales Tax Fund

The Road Sales Tax Fund accounts for servicing debt issued for the purpose of blacktopping and sealing of parish roads. Additionally, at the first of the year this fund was used to account for expenditures related to blacktopping and sealing of parish roads. After the Blacktop Fund was established, the Road Sales Tax Fund was used to service the road maintenance indebtedness. Financing is provided by a parish-wide sales tax and interest earned on investments.

Tourism Fund

The Tourism Fund accounts for promoting tourism in the parish. Financing is provided by a hotel/motel tax and interest earned on investments.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2000**

	Road	Library	Solid Waste	Asphalt
Assets				
Cash	\$ 120,989	\$ 301,667	\$ 983,795	\$ 441,170
Investments		153,068		
Receivables	280,085	460,496	67,255	215,415
Total assets	\$ 401,074	\$ 915,231	\$1,051,050	\$ 656,585
Liabilities and fund equity				
Liabilities:				
Accounts payable	\$ 46,236	\$ 22,949	\$ 7,008	\$ 8,114
Total liabilities	46,236	22,949	7,008	8,114
Fund equity:				
Fund balances:				
Unreserved - undesignated	354,838	892,282	1,044,042	648,471
Total fund equity	354,838	892,282	1,044,042	648,471
Total liabilities and fund equity	\$ 401,074	\$ 915,231	\$1,051,050	\$ 656,585

Health Unit	Blacktop	Lake Commission	Landfill Closure	Road Sales Tax	Tourism	Total
\$ 441,114	\$ 907,390	\$ 151,790	\$ 423,661	\$ 617,879	\$ 21,543	\$ 4,410,998
						153,068
				44,837	1,473	1,069,561
441,114	907,390	151,790	423,661	662,716	23,016	5,633,627
\$ 797	\$	\$	\$	\$	\$	\$ 85,104
797	NONE	NONE	NONE	NONE	NONE	85,104
440,317	907,390	151,790	423,661	662,716	23,016	5,548,523
440,317	907,390	151,790	423,661	662,716	23,016	5,548,523
\$ 441,114	\$ 907,390	\$ 151,790	\$ 423,661	\$ 662,716	\$ 23,016	\$ 5,633,627

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Road	Library	Solid Waste	Asphalt
Revenues:				
Taxes:				
Ad valorem	\$ 255,315	\$ 473,222	\$	\$ 213,593
Sales tax			895,903	
Intergovernmental revenues:				
State funds:				
Parish transportation funds	281,346			
State aid grants		19,407		
State revenue sharing (net)	23,774	44,607		20,690
Fines and forfeitures		17,743		
Miscellaneous revenues	5,784	1,367	5,445	
Use of money and property	9,322	26,912	49,742	27,440
Total revenues	\$ 575,541	\$ 583,258	\$ 951,090	\$ 261,723
Expenditures:				
General government -				
Other general government	\$ 8,684	\$ 16,133	\$	\$ 7,552
Public works	879,278		595,097	90,439
Public safety				
Health and welfare				
Culture and recreation		304,656		
Capital outlay	40,534	44,088	25,088	
Debt service:				
Principal retirement	5,516	60,000		
Interest	69	47,283		
Total expenditures	\$ 934,081	\$ 472,160	\$ 620,185	\$ 97,991
Excess (deficiency) of revenues over (under) expenditures	\$ (358,540)	\$ 111,098	\$ 330,905	\$ 163,732
Other financing sources (uses):				
Operating transfers in	240,000			
Residual equity transfer in		25,175		
Proceeds from certificates of indebtedness				
Sale of equipment	20,542			
Total other financing sources (uses)	260,542	25,175	NONE	NONE
Excess (deficiency) of revenues and other sources Over (under) expenditures and other uses	(97,998)	136,273	330,905	163,732
Fund balances at beginning of year	452,836	756,009	713,137	484,739
Fund balances at end of year	\$ 354,838	\$ 892,282	\$ 1,044,042	\$ 648,471

Health Unit	Blacktop	Lake Commission	Landfill Closure	Road Sales Tax	Tourism	Total
\$ 632	\$	\$	\$	\$ 587,576	\$ 7,788	\$ 942,762
						1,491,267
						281,346
						19,407
						89,071
						17,743
						12,596
25,359	45,968	8,279	24,822	18,248	673	236,765
\$ 25,991	\$ 45,968	\$ 8,279	\$ 24,822	\$ 605,824	\$ 8,461	\$ 3,090,957
\$	\$	\$	\$	\$	\$	\$ 32,369
	638,578	8,198		56,667		2,268,257
18,858						18,858
					1,077	305,733
		4,000				113,710
						65,516
				32,235		79,587
\$ 18,858	\$ 638,578	\$ 12,198	NONE	\$ 88,902	\$ 1,077	\$ 2,884,030
\$ 7,133	\$ (592,610)	\$ (3,919)	\$ 24,822	\$ 516,922	\$ 7,384	\$ 206,927
					1,029	241,029
						25,175
	1,500,000					1,500,000
						20,542
NONE	1,500,000	NONE	NONE	NONE	1,029	1,786,746
7,133	907,390	(3,919)	24,822	516,922	8,413	1,993,673
433,184		155,709	398,839	145,794	14,603	3,554,850
\$ 440,317	\$ 907,390	\$ 151,790	\$ 423,661	\$ 662,716	\$ 23,016	\$ 5,548,523

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2000**

CAPITAL PROJECTS FUNDS

The Capital Projects Funds account of financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Capital Projects Fund

The Capital Projects Fund accounts for the accumulation of resources for and the expenditures of various capital projects. The current year's activities consist of an operating transfer from the General Fund and interest earned on investments. The transfer will be used in connection with construction of a new community center scheduled to begin in 2001.

Community Development Block Grant

The Community Development Block Grant Fund accounts for grant proceeds and the related expenditures. The objectives of the Community Development Block Grant (CDBG) are the development of viable communities, decent housing and a suitable living environment, and expanded economic opportunities, to be achieved through the undertaking of eligible activities that fulfill one or more of three broad national objectives: (1) benefitting low and moderate-income persons; (2) aiding in the prevention or elimination of slums and blight; (3) meeting other communities' development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health and welfare of the community and other resources are not available to meet such needs.

Library Construction Fund

The Library Construction Fund accounts for the accumulation of resources and the expenditures for the addition to the Jackson Parish Library.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2000**

	Library Construction	Capital Projects	Community Development Block Grant	Total
Assets				
Cash	\$	\$ 356,902	\$	\$ 356,902
Investments				
Total assets	NONE	\$ 356,902	NONE	\$ 356,902
Liabilities and fund equity				
Liabilities -				
Accounts payable				
Total liabilities	NONE	NONE	NONE	NONE
Fund equity:				
Fund balances -				
Unreserved - undesignated				
Total fund equity	NONE	NONE	NONE	NONE
Total liabilities and fund equity	NONE	\$ 356,902	NONE	\$ 356,902

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Library Construction	Capital Projects	Community Development Block Grant	Total
Revenues:				
Intergovernmental revenues -				
Federal grants	\$	\$	\$ 137,780	\$ 137,780
Use of money and property	7,662	13,132		20,794
Total revenues	7,662	13,132	137,780	158,574
Expenditures:				
Capital outlay	230,087	1,340	137,780	369,207
Total expenditures	230,087	1,340	137,780	369,207
Excess (deficiency) of revenues over (under) expenditures	(222,425)	11,792	NONE	(210,633)
Other financing sources (uses):				
Operating transfer in		250,000		250,000
Residual equity transfer	(25,175)			(25,175)
Total other financing sources (uses)	(25,175)	250,000	NONE	224,825
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(247,600)	261,792	NONE	14,192
Fund balances at beginning of year	247,600	95,110	NONE	342,710
Fund balances at end of year	NONE	\$ 356,902	NONE	\$ 356,902

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2000**

GENERAL

Compensation Paid Police Jurors

The schedule of compensation paid to the Jackson Parish Police Jury members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Jackson Parish Police Jury members is included in the general administrative expenditures of the General Fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 33:1233.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SCHEDULE OF COMPENSATION PAID POLICE JURORS
FOR THE YEAR ENDED
DECEMBER 31, 2000**

Police Jurors:	Amount:
Dr. Charles Garrett	\$ 12,400
Troy L. Smith	12,400
Leslie Thompson	12,400
Nathaniel Zeno, Jr.	12,400
Carl L. Atkins	12,174
William T. Culpepper	12,174
Eddie M. Langston	12,174
James Ernest Conn	226
David L. McManus	226
Charles R. Pyles	226
Total	<u>\$ 86,800</u>

Kenneth D. Folden & Co.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the
Jackson Parish Police Jury
Jonesboro, LA

We have audited the financial statements of the Jackson Parish Police Jury, as of and for the year ended December 31, 2000, and have issued our report thereon dated April 11, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Jackson Parish Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance, that we reported to management of the Jackson Parish Police Jury in a separate letter dated April 11, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jackson Parish Police Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Legislative Auditor of the State of Louisiana and members of the Jury and management of the Jackson Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.


KENNETH D. FOLDEN & CO., CPAs

Jonesboro, Louisiana
April 11, 2001

**JACKSON PARISH POLICE JURY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2000**

A. SUMMARY OF AUDIT RESULTS

- 1. The auditor's report expresses an unqualified opinion on the (primary government) financial statements of the Jackson Parish Police Jury.**
- 2. No reportable conditions relating to the audit of the financial statement are reported in the REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**
- 3. No instance of noncompliance material to the financial statements of the Jackson Parish Police Jury was disclosed during the audit.**
- 4. The Jackson Parish Police Jury had no major federal award programs.**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

The Jackson Parish Police Jury had no major federal programs.

Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

**Members
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(318) 259-7316
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**Members
American Institute of
Certified Public Accountants**

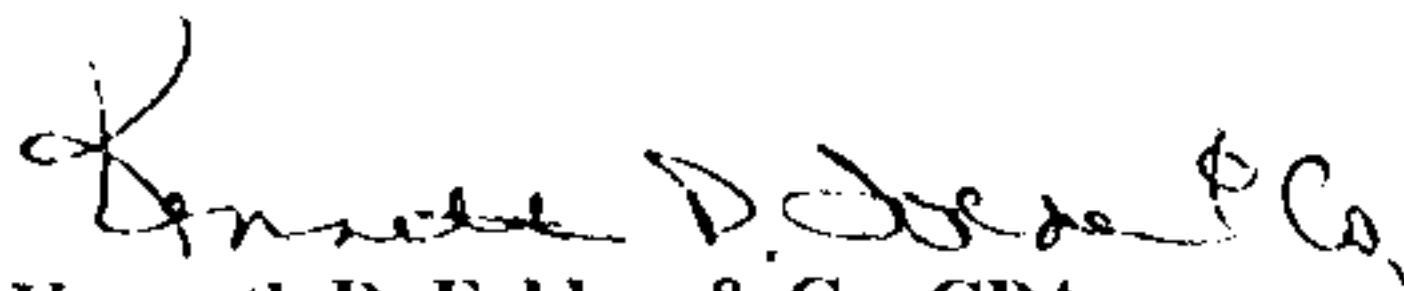
**The Members of the
Jackson Parish Police Jury
Jonesboro, LA**

In planning and performing our audit of the primary government financial statements of the Jackson Parish Police Jury, as of and for the year ended December 31, 2000, and to obtain reasonable assurance about whether the financial statements are free of material misstatement, we considered the following:

- 1. The internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure; and,**
- 2. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Jackson Parish Police Jury's compliance with certain provisions of laws, regulations, and contracts. The objective of our audit was not to provide an opinion on overall compliance with such provisions. Accordingly, we did not express such an opinion.**

During our audit for the year ending December 31, 2000 and our prior audit for the year ending December 31, 1999, we became aware of certain matters involving immaterial noncompliance with laws and matters disclosed in the audit reports for these years involving the internal control structure that were opportunities for strengthening internal controls and compliance requirements. The memorandum that accompanies this letter summarizes our comments regarding those matters. (We previously reported on the Jackson Parish Police Jury's internal control structure in our report dated April 11, 2001.) This letter does not affect our report dated April 11, 2001, on the financial statements of the Jackson Parish Police Jury.

Sincerely,



**Kenneth D. Folden & Co, CPAs
April 11, 2001**

Current Year:

(1) Disposal of Surplus Movable Property

Condition: The Jackson Parish Police Jury sold an excavator without offering the excavator for sale by public bid.

Cause: The jury declared an emergency and sold the excavator without following legal procedures for disposal of surplus movable property.

Criteria: Louisiana Revised Statutes 49:125 and 33:4712 (F) allow for sale of surplus movable property at public auction. The statutes further state that the sale must be advertised.

Effect: Because the jury did not comply with the provisions of the referenced statute, the public was not afforded the opportunity to participate in the bid process. No other instance of improper disposal of surplus moveable property was found during audit work performed.

Recommendation: We recommend that the jury comply with all provisions of LRS 49:125 and LRS 33:4712 (F) in the future.

**Management's
Corrective Action Plan:** In a letter dated June 30, 2001, management of the Jackson Parish Police Jury agreed with the finding and stated that they intend to comply with all provisions of LRS 49:125 and LRS 33:4712 in the future.

(2) Improper Substitution Clause contained in Operating Lease

Condition: The Jackson Parish Policy Jury leased equipment under a lease which did not fully meet all the requirements to be deemed a "true" operating lease. Unless all requirements of a true lease (operating lease) are met, jurisprudence requires that leases of public property be publicly bid since they amount to purchases of property disguised as leases. Additionally, without all requirements being met to classify a lease as a "true" operating lease, lease contracts could be construed as incurrence of debt, thus requiring approval by the bond commission.

Cause: The Jackson Parish Police Jury negotiated a three year operating lease on July 25, 2000 which contained an unacceptable non-substitution clause. The lease contains a provision that if the jury were to acquire similar equipment after the lease was terminated it would have to pay an additional year's rent. The asset acquisition was not publicly bid nor was approval from the bond commission obtained.

Criteria: A number of Louisiana Attorney General opinions establishes guidance for negotiation of a lease without public bidding or bond commission approval provided that certain provisions are met which establish the lease as a "true" operating lease rather than a "capital lease". One requirement for a contract to be a true lease is that it not prohibit the lessee (the public body) from terminating the lease and acquiring the same or similar equipment (non-substitution clause); the referenced lease does not fully meet this requirement. The other requirements for a true lease (non-appropriations clause and non-transfer of title at end of lease) were properly established in the contract. (1980 WL 116811, *1 (La A.G.)).

Effect: The jury is lessee in four operating lease agreements at December 31, 2000. Of these four agreements only one agreement did not have the three requirements of a true operating lease.

Recommendation: We recommend that the jury re-negotiate the referenced lease and ensure that all future lease negotiations comply with requirements to be a true operating lease or comply with Louisiana Public Bid Law Statutes LRS 38:2211 and Debt Restriction statutes.

**Management's
Corrective Action Plan:** In a letter dated June 30, 2001, management of the Jackson Parish Police Jury agreed with the finding and stated that they intend to ensure that compliance with public bid law and debt restriction statutes be achieved in all future contracts.

Prior Year:

The current status of the findings in the prior year management letter are as follows:

(1) Budget - For the year ended December 31, 1999, the Jackson Parish Police Jury failed to adequately amend the budgeted expenditures of its funds which are legally required to be budgeted resulting in budgeted expenditures exceeding the budgeted expenditures by more than five percent. Louisiana Revised Statute 39:1310 requires that amendments shall be made whenever actual revenues are failing to meet budgeted revenues by five percent or more and when actual expenditures are exceeding budgeted expenditures by five percent or more. For the year ending December 31, 2000, the Jackson Parish Police Jury properly amended all funds which are legally required to be budgeted.

Correction action has been taken. This finding is considered cleared.

(2) Parish Transportation Act - Louisiana Revised Statute (LRS) 48:754 contains seven (7) provisions that composed the Parish Transportation Act. Two of these provisions relate to approval of the governing authority of all expenditures and the establishment of a selective maintenance program. LRS 48:754 requires approval of the governing authority for any expenditures made from the road funds and also states that work should be performed in accordance with the weekly work schedule prepared by the parish road manager, except in emergency situations.

Corrective action has been taken. This finding is considered cleared.

(3) Policy Manual - In our prior year audit we recommended that the Jackson Parish Police Jury comply with its policy manual by establishing and maintaining clear policies concerning leave practices and procedures to follow after an employee is involved in an accident. We also recommend that any changes to the policy manual should be distributed to the employees and clearly explained to them.

Corrective action has been taken. This finding is considered cleared.

Done

JACKSON PARISH POLICE JURY

Courthouse
500 East Court Street, Room 301
Jonesboro, Louisiana 71251-3446

Phone: (318) 259-2361
Fax: (318) 259-5660
Email: jacksonppj@krocket.net

June 20, 2001

MEMBERS

WARD 1

CARL L. ATKINS
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Ruston, LA 71270
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Dr. Daniel Kyle, Secretary
Legislative Audit Advisory Council
P. O. Box 94397
Baton Rouge, LA 70804-9397

WARD 2

EDDIE M. LANGSTON
770 Taylor Road
Jonesboro, LA 71251
(318) 259-7448

Dear Dr. Kyle:

I am responding to the comments contained in the management letter for the year ended December 31, 2000, issued by Kenneth D. Folden & Co., CPAs, dated April 11, 2001. We agree with the findings and the following is the current status of these matters:

WARD 3

TODD CULPEPPER
P. O. Box 30
Jonesboro, LA 71251
(318) 395-0105 (Home)
(318) 259-4184 (Work)

1. **Disposal Surplus Movable Property** - The jury intends to fully comply with all provisions of Louisiana Revised Statutes 49:125 and 33:4712 (1) when disposing of movable surplus property in the future.

WARD 4

NATHANIEL ZENO, JR.
1407 Leon Drive
Jonesboro, LA 71251
(318) 259-4741 (Home)
(318) 259-2882 (Work)

2. **Improper Substitution Clause contained in Operating Lease** - We are aware of the required elements of a operating lease and will ensure that all operating leases signed in the future contain all the necessary elements to be classified as a true operating lease. We will comply with the provisions of Public Bid Law and Debt Restriction statutes when applicable.

WARD 5

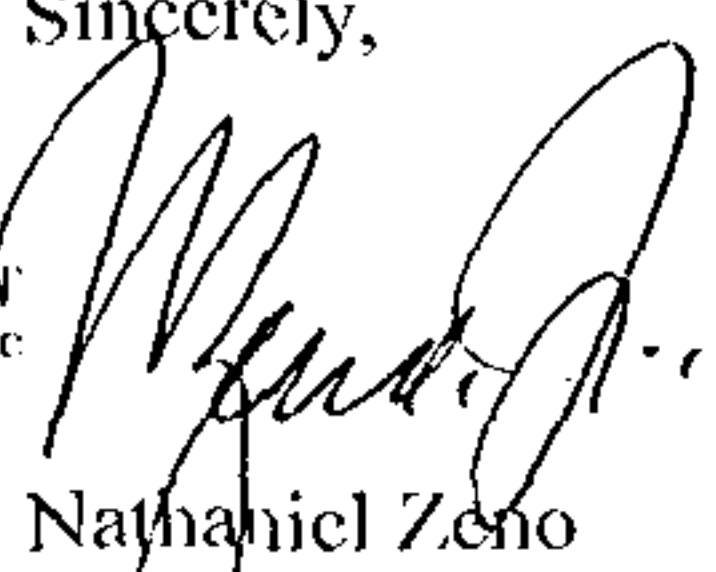
LESLIE THOMPSON
101 Holly
Jonesboro, LA 71251
(318) 259-4772

Should you have any questions, please contact me.

Sincerely,

WARD 6

DR. CHARLES H. GARRETT
1641 South Hudson Avenue
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(318) 259-4442 (Home)
(318) 259-4233 (Work)


Nathaniel Zeno
President

WARD 7

TROY L. SMITH
P. O. Box 793
Hodge, LA 71247
(318) 259-8753